

WIPO Arbitration and Mediation Center

WIPO Case Reference: **WIPO2022PL6**

FINAL AWARD

In an arbitration under the
WIPO Expedited Arbitration Rules for disputed domain name Dispute Resolution under .PL

Between:

Wayfair LLC
United States of America

(Claimant)

and

Rechin Financiar SRL
Romania

(Respondent)

Representative of the Claimant

Wolf Greenfield
United States of America

Representative of the Respondent

Mr. Filip Probierz
Poland

Arbitral Tribunal
Mr. Adam Taylor

This Award is issued by me as Sole Arbitrator (“Tribunal”) in the dispute between Wayfair LLC (“Claimant”) and Rechin Financiar SRL (“Respondent”) regarding a dispute over the domain name <wayfair.pl> (the “disputed domain name”).

1. THE PROCEEDINGS

1.1. Parties to the Arbitration

The Claimant is Wayfair LLC of the United States of America ("United States").

The Respondent¹ is Rechin Financiar SRL of Romania.

1.2. Jurisdiction, Rules and Place of Arbitration

The disputed domain name is subject to the .pl Domain Name Regulations (" .pl Regulations") which can be found at "www.dns.pl/regulamin_nazw_domeny_pl" (official Polish version) and at "www.dns.pl/en/pl_domain_name_regulations" (English version).

Article 20 of the .pl Regulations provides that, where a third party submits a claim to the Arbitration Court (i.e., the World Intellectual Property Organisation, which has been appointed by NASK, the registry for .pl domain names, to handle disputes where both parties are domiciled or registered outside Poland) against a "Subscriber" (i.e., the other party to the domain registration agreement with NASK) alleging that the Subscriber has violated the rights of that person in connection with the domain registration agreement, the Subscriber is required to deliver to the Arbitration Court a duly signed arbitration agreement within the time limit specified in the summons to sign the clause.

As mentioned in section 1.3 below, the Claimant has submitted a claim in accordance with Article 20 of the .pl Regulations and both parties have duly delivered the signed arbitration agreement to the WIPO Arbitration and Mediation ("Center") stating that the dispute regarding the disputed domain name shall be referred to and finally determined by arbitration in accordance with the WIPO Expedited Arbitration Rules for Domain Name Dispute Resolution under .PL ("the Expedited Rules", available at "www.wipo.int/amc/en/domains/rules/cctld/expedited/pl/index.html").

As further mentioned in section 1.3 below, in accordance with Article 34(a) of the Expedited Rules, the Center has determined that London shall be the place of arbitration.

1.3. Procedural steps

On June 18, 2022, the Claimant notified the Center of its intention to file a Request for Arbitration in accordance with Article 6(a) of the Expedited Rules.

On June 29, 2022, and July 21, 2022, respectively, the Claimant and the Respondent submitted the signed arbitration agreement to the Center in accordance with Article 6(b) of the Expedited Rules.

On August 11, 2022, the Claimant transmitted by email to the Center and to the Respondent the Request for Arbitration and Statement of Claim (collectively, "the Statement of Claim") in accordance with Articles 7 and 11 of the Expedited Rules.

On August 22, 2022, following receipt of the Statement of Acceptance, Impartiality and Independence, the Center appointed the undersigned, Adam Taylor, as Sole Arbitrator in accordance with Article 15(b) of the Expedited Rules.

Pursuant to Article 8 of the Expedited Rules, the date of commencement of the arbitration was August 11, 2022.

On August 30, 2022, the Respondent transmitted by email to the Center, and to the Claimant, the Answer to the Request and Statement of Defense (collectively, "the Answer") in accordance with Articles 12 and 13 of

¹ References to "the Respondent" should be taken as including the person who controls the Respondent unless the context requires otherwise.

the Expedited Rules.

On September 7, 2022, in accordance with Article 34(a) of the Expedited Rules, the Center informed the parties that, in the absence of any submissions from the parties regarding the place of arbitration, and in view of the fact that the sole arbitrator was a solicitor qualified in England and located in London, and that no other jurisdiction appeared more appropriate in light of the parties' different locations, the Center had determined that the place of arbitration should be London.

On September 7, 2022, the Tribunal issued Procedural Order No. 1 as follows:

"1. Article 46(a) of the Rules provides that the Tribunal shall decide the substance of the dispute in accordance with the law or rules of law that it determines to be appropriate, taking into account any observations which the parties may have made. Given that the Claimant has advocated that the Uniform Dispute Resolution Policy ("UDRP") should govern the substance of this dispute, that the Statement of Defense proceeds on the assumption that the UDRP applies, and that the UDRP is an internationally recognised domain name dispute system that has been specifically created to address situations like the one presented here, the Tribunal has decided that will base its decision on the substantive principles of the UDRP.

2. The Tribunal notes that the Respondent has annexed to the Statement of Defense a number of documents in Polish whereas the language of the arbitration is English. In accordance with Article 35 of the Rules, the Tribunal orders that, within 15 days hereof, the Respondent should submit English translations of any Polish documents (or the parts thereof) upon which it wishes to rely. The Panel will disregard any untranslated documents or parts thereof.

3. In accordance with Article 40(a) and (b) of the Rules, the Tribunal invites the Respondent within 15 days hereof to produce dated evidence supporting its assertion in section I of the Statement of Defense that it registered the disputed domain name in connection with a "projected online financial services business that was to target the market in Poland".

4. The Tribunal invites the Claimant to respond to any submissions by the Respondent under paragraphs 2 and 3 above within 15 days following such submissions.

5. The Tribunal does not consider it necessary to conduct a preparatory conference under Article 39 of the Rules, nor a hearing under Article 41 of the Rules. However, if either party wishes to raise any matter that it considers ought to be addressed in a preparatory conference, or wishes the Tribunal to hold a hearing, it should inform the Tribunal within seven days hereof whereupon the Tribunal will determine how to proceed."

The Respondent and the Claimant submitted statements in response to paragraphs 3 and 4 of Procedural Order No. 1 on September 21, 2022, and October 6, 2022, respectively.

On October 25, 2022, in accordance with Articles 44 and 49(a) of the Expedited Rules, the Tribunal declared that the proceedings were closed.

2. SUMMARY OF SUBMISSIONS

2.1. Claimant – Statement of Claim

The following is a summary of the Claimant's contentions in the Statement of Claim:

- The Claimant's trade mark "Wayfair" is a coined term. It is famous in the United States and throughout the European Union ("EU"). The Claimant has used its mark in the United Kingdom and Germany since 2011, and in Ireland since June 2022.

- The Claimant had over 23.6 million active customers worldwide as of June 30, 2022.
- The Claimant has 100 employees in Poland and a Polish subsidiary that was incorporated in April 2021, as well as over 700 Polish suppliers and thousands of products on its website originating from Poland, demonstrating that the Claimant has a significant presence in Poland.
- The Claimant discovered the existence of the disputed domain name around March 2022.
- The disputed domain name is identical to the Claimant's famous trade mark.
- The Respondent lacks rights or legitimate interests in the disputed domain name.
- The Claimant has not licensed the Respondent to use its trade mark.
- The Respondent does not own any trade marks reflecting the disputed domain name.
- The Respondent has not been commonly known by the disputed domain name. Nor is the Respondent making any legitimate non-commercial or fair use of the disputed domain name.
- The Respondent has not used or made demonstrable preparations to use the disputed domain name for a *bona fide* offering of goods or services.
- The disputed domain name was registered and is being used in bad faith.
- The Respondent's registration of a disputed domain name comprising the Claimant's famous trade mark of itself constitutes bad faith registration and use, particularly given that the Respondent cannot reasonably deny that it had prior knowledge of the Claimant's mark.
- The fact that the disputed domain name wholly incorporates the Claimant's mark is further evidence of bad faith, as is the fact that the Claimant's mark is a coined term, which the Claimant used extensively before the disputed domain name was registered, indicating that the Claimant registered the disputed domain name specifically to target the Claimant.
- The Respondent has registered and used the disputed domain name in order to disrupt the Claimant's business and/or to block the Claimant by seeking an exorbitant price for the disputed domain name, while not actively using the disputed domain name itself.

2.2. Respondent - Answer

The following is a summary of the Respondent's contentions in the Answer:

- The disputed domain name was initially registered in the name of the controller of the Respondent. It was later transferred to the Respondent as part of the transfer of all assets to the newly-formed business entity.
- At the time of registering the disputed domain name, the controller of the Respondent operated a business in the field of online financial services and all of his business activities and professional interests were located in Poland. He did not then, or since, engage in activities that compete with the Claimant.
- The Respondent's business does not overlap with any of the classes of goods or services for which the Claimant's mark was registered. The Respondent is entitled to use the disputed domain name for any other goods or services and the Respondent's provision of financial services in Poland under the mark "Wayfair" would not infringe the Claimant's registered trade mark. Indeed, under Polish intellectual property law, the Respondent would still be entitled to use the disputed domain name in these circumstances even if the Respondent had been aware that the Claimant was using the name "Wayfair" abroad.

- The Respondent independently invented the disputed domain name, without any awareness of the Claimant, as a combination of two generically popular, trust-inspiring words. The disputed domain name was intended for a projected online financial services business to target the market in Poland. However, the Respondent never used the disputed domain name for this purpose as he was focused on other matters, "in particular the creation and establishment of the entity Rechin Financiar SRL". This consumed all of the Respondent's capacity, such that he lacked the necessary time to continue the project for which he registered the disputed domain name.
- In 2016, the Claimant's brand did not have any recognisable presence in Poland or anywhere else except the United States.
- Market research shows that the Claimant is not one of the five major players in the Polish furniture market, 94% of which is attributable to local micro-enterprises. Online furniture sales in Poland only account for around 33% of the total, and again the above five players dominate.
- The Claimant has not demonstrated any significant brand recognition in the Polish market. The Claimant's 2016 annual report shows that the Claimant had only just begun to invest outside the United States at that point. The Respondent could not have registered the disputed domain name to infringe on the Claimant's interests in Poland, as the Claimant possessed no such rights as of the date of registration of the disputed domain name.
- The Claimant's mere desire to start operations in other markets cannot be treated as an obstacle to the Respondent's registration of the disputed domain name. The Respondent was not obliged to verify whether a foreign company might start operations in Poland at some point in the future.
- The Claimant's mere establishment of a subsidiary in Poland with minimal share capital does not constitute evidence of brand recognition in Poland. Evidence of the brand's status in Germany and the United States is also irrelevant.
- The Claimant's 2016 annual report warns that it may not be able to register domain names in every country in which it intends to do business or to prevent third parties using domain names that infringe or devalue its marks. The Claimant's request to transfer the disputed domain name to it was designed to avoid the need to incur the costs of acquiring the disputed domain name, as well as to capitalise on work done by others.
- If it wished, the Claimant could conduct its business in Poland using the domain name <wayfair.com.pl>.
- As regards the Respondent's offer to sell the disputed domain name, it was the Claimant who first approached the Respondent with an offer to buy the disputed domain name. The Respondent's counteroffer was based on the Claimant's brand and the spectrum of its activities, of which the Respondent was not previously aware. The Claimant has failed to establish that the Respondent registered the disputed domain name for the purpose of sale to the Claimant. The cases cited by the Claimant are irrelevant because they involve sale approaches by third parties to the Claimant, whereas that did not occur here. If the Respondent had registered the disputed domain name in bad faith, the Respondent would have approached the Claimant to sell it the disputed domain name, or would have used it for similar products in order to mislead consumers.
- The Respondent possesses rights and legitimate interests in the disputed domain name, in accordance with paragraphs 4(c)(i) and (iii) of the UDRP.

2.3. Respondent – Further Statement

The following is a summary of the Respondent's further statement in response to Procedural Order No. 1:

- During the course of the communications regarding sale of the disputed domain name, it was not disclosed to the Respondent that the Claimant was the party that made the offer and the Respondent remained in the reasonable belief that the offer came from a third party. The Claimant never contacted the Respondent directly.
- The Respondent has never acquired a domain name for the purpose of resale to an entity that owned trade mark rights relating to the domain name. The Respondent has produced a list of the Respondent's other domain names registered from 2015 to 2021, which all related to the "projected new scopes of my business activities" or for the purpose of providing Internet advertising services to third parties. The Respondent has produced accountant declarations asserting that the Respondent has not sold any domain names during the period from 2018 to 2022.
- The Respondent started his own business in 2015/6, initially as a sole trader, focused on financial intermediation, online advertising, weblogging and online advertising campaigns for banks and lending institutions and the disputed domain name was registered as a confidence-inspiring expression for this purpose.
- The entity Rechin Financiar SRL was established in 2018 as "the main business activity, combining all areas of professional activity".

2.4. Complainant – Further Statement

The following is a summary of the Claimant's further statement in response to Procedural Order No. 1:

- The Respondent's further statement claims that the Respondent was unaware that the Claimant was behind the offer to buy the disputed domain name in 2022, thereby contradicting the Answer and undermining the Respondent's credibility.
- The Respondent's unsupported assertions in the further statement fall well short of what is needed to establish that the Respondent legitimately registered the disputed domain name in connection with its alleged project.
- It is exceedingly unlikely that the Respondent independently combined the words "way" and "fair". Furthermore, the Respondent's explanation lacks credibility because the Respondent would have selected Polish, rather than English, words if it had really intended to target the Polish market and, despite the inclusion of "fair", overall the combined term lacks confidence- and trust-inspiring qualities, particularly given the use of "way", which lacks any such connotation.
- The list of domain names supplied by the Respondent demonstrates a pattern of bad faith conduct.
- The Respondent uses the domain name <ministerfinansow.pl>, meaning "the Minister of Finance", for a website which gives the impression that it is a legitimate government website by inclusion of the official Polish coat of arms, with only a far-from-prominent disclaimer in the footer, and which misleadingly purports to independently rate other websites, whereas the sites with the top two ratings are owned by the Respondent.
- Furthermore, the Respondent uses <hotelmerlin.pl>, previously owned by a Hostel Merlin, for a blog relating to cash loans and currency trading, unrelated to hotels.
- The declarations from the Respondent's accountants are irrelevant, because lack of past domain sales by the Respondent, even if true, does not indicate that the Respondent acted in good faith on this occasion.
- The Respondent has failed to provide an English translation of the survey of the Polish furniture market annexed to the Answer, which should therefore be disregarded.

3. FINDINGS

3.1. Facts

The Tribunal makes the following findings of fact:

Since 2011, the Claimant has sold furniture, home furnishings and other products online under the mark "Wayfair".

In 2016, the Claimant's turnover was approximately USD 3.1 billion in the United States and USD 270 million abroad. By 2021, the figures were USD 11.2 billion and 2.5 billion, respectively.

The Claimant owns many registered trade marks for WAYFAIR including EU trade mark no. 1071993, registered on February 28, 2011, in class 35.

The Claimant operates its own websites at the domain names <wayfair.com>, <wayfair.co.uk>, <wayfair.de>, <wayfair.ie>, amongst others.

The disputed domain name was registered on January 28, 2016.

On April 29, 2022, the Claimant's agent emailed the Respondent on behalf of an unidentified client offering to buy the disputed domain name for USD 2,000.

The Respondent responded on April 30, 2022, as follows:

"Unfortunately it doesn't not correspond to the real value nor taking into account the fact FED inflation will consume almost whole purchasing power of your cash offer in 10 years in the current pace.

For this year price is 2 500 000 USD + 0,6% of yearly revenue gained on Polish market by your client for next 50 years."

Following an exchange of emails in which the Respondent confirmed the details of its counteroffer, the Claimant emailed on May 11, 2022, stating that the counteroffer far exceeded the value of the disputed domain name, and reiterating the offer of USD 2,000.

As of August 9, 2022, the disputed domain name resolved to a website listing three domain names for sale including the disputed domain name for USD 2.5 million "+ yearly fee". The other two domain names were offered for sale at USD 100 and USD 120.

3.2. Applicable Law

As stated, and for the reasons given in Procedural Order No. 1 (see section 1.3 above), in accordance with Article 46(a) of the Expedited Rules, the Tribunal has decided that it will base its decision on the substantive principles of the UDRP.

Paragraph 4(a) of the UDRP requires that each of the following three elements must be proved in order to obtain an order transferring or cancelling a domain name:

- (i) the domain name is identical or confusingly similar to a trade mark or service mark in which the claimant has rights;
- (ii) the respondent has no rights or legitimate interests in respect of the domain name; and
- (iii) the domain name has been registered and is being used in bad faith.

3.3. Identical or Confusingly Similar

The Claimant has established rights in the mark WAYFAIR by virtue of its registered trade mark as well as unregistered trade mark rights deriving from its extensive use of that name.

Disregarding the domain name suffix, the disputed domain name is identical to the Claimant's trade mark.

The Tribunal therefore finds that the Claimant has established the first element of paragraph 4(a) of the UDRP.

3.4. Rights or Legitimate Interests

As explained in section 2.1 of the WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition ("WIPO Overview 3.0"), the consensus view is that, where a complainant makes out a *prima facie* case that the respondent lacks rights or legitimate interests, the burden of production shifts to the respondent to come forward with relevant evidence demonstrating rights or legitimate interests in the domain name. If not, the complainant is deemed to have satisfied the second element.

Here, the Claimant has not licensed or otherwise authorised the Respondent to use its trade mark.

Paragraph 4(c) of the UDRP gives examples of circumstances which, if proved, suffice to demonstrate that a respondent possesses rights or legitimate interests.

As to paragraph 4(c)(i) of the UDRP, the Respondent has not actively used the disputed domain name (other than to list it for sale) but claims that it intends to do so for "a projected online financial services business to target the market in Poland".

As explained in section 2.2 of WIPO Overview 3.0, where a respondent relies on future plans, clear contemporaneous evidence of *bona fide* pre-complaint preparations is required. While, depending on the circumstances, such evidence may not need to be particularly extensive, it must go beyond a mere statement of a claimed intention.

Here, despite the Tribunal specifically inviting the Respondent to do so in Procedural Order No. 1, the Respondent has provided no evidence at all in support of its alleged intended use of the disputed domain name.

Accordingly, the Tribunal considers that the Respondent has failed to establish demonstrable preparations for a *bona fide* offering of goods or services in accordance with paragraph 4(c)(i) of the UDRP.

Nor is there any evidence that paragraphs 4(c)(ii) or (iii) of the UDRP are relevant in the circumstances of this case.

The Tribunal therefore finds that the Claimant has established the second element of paragraph 4(a) of the UDRP.

3.5. Registered and Used in Bad Faith

The Tribunal notes the following:

1. The Respondent denies that it was aware of the Claimant when the disputed domain name was registered in 2016, given that the Respondent's controller was then located in Poland, and strongly disputes the extent of the Claimant's activities/reputation in Poland at that time. However, section 3.2.2 of WIPO Overview 3.0 states that, particularly given the Internet's borderless nature, a sweeping respondent disclaimer of knowledge based as such on its (deemed) presence in a particular location different from the locations in which the complainant's goods or services are accessible is far from conclusive and may be seen by panels as lacking in credibility or relevance. Section 3.2.2 notes that

the business of cybersquatting often seeks to exploit the global reach of the Internet and may in fact purposefully target a location other than that in which the respondent may be "present". In this case, the Tribunal observes that it is not disputed that, in 2016, the Claimant was trading online in the United States with a very substantial turnover in excess of USD 3.1 billion.

2. As noted in section 3.4 above, the Respondent has produced no evidence in support of its claimed intention to use the disputed domain name for "a projected online financial services business to target the market in Poland". The Respondent has not even provided any detail of what the alleged project entailed or of the matters arising from the establishment of the entity Rechin Financiar SRL that allegedly consumed all of the Respondent's capacity in the six years since the disputed domain name was registered and prevented him from proceeding with the project.
3. While the term "wayfair" comprises two dictionary words, in the Tribunal's view the combination is not a natural one and the Tribunal does not think it likely that the Respondent coined the term independently of the Claimant.
4. The Respondent claims that it selected the term "wayfair" to convey trust and confidence. But, while the word "fair" on its own can bear such a meaning, in the Tribunal's view that connotation is not obvious from the combined term as a whole.
5. The Respondent's submissions contradict themselves. In the Answer, the Respondent acknowledged that, while it had allegedly been unaware of the Claimant previously, the Respondent's 2022 counter-offer of USD 2.5 million plus 0.6% of annual revenue gained in the Polish market for the next 50 years was "due to the actual discovery of the WAYFAIR brand and becoming aware of the spectrum of its activities". And it does seem logical that this very substantial price was linked to the massive size of the Claimant's business. Yet, in its further statement, the Respondent claimed that it was unaware that the Claimant was behind the initial sale approach to it and that the Respondent reasonably believed that the offer came from "a third party". Albeit relating to events in 2022, this contradiction casts doubt on the Respondent's credibility generally, including the Respondent's denial of knowledge of the Claimant at the time of registration of the disputed domain name back in 2016.
6. The Respondent uses the domain name <ministerfinansow.pl>, which means "the Minister of Finance", for a misleading website which passes itself off as an official government site by using the Polish coat of arms and which purports to independently rate other websites, while giving top rankings to two of the Respondent's own sites.
7. The Respondent uses the domain name <hotelmerlin.pl>, previously owned and used by a "Hostel Merlin" in Poland, for a blog relating to cash loans and currency trading, which appears designed to illicitly capitalise on Internet users seeking Hostel Merlin.

In view of all the above factors taken together, the Tribunal finds that, on the balance of probabilities, the Respondent did not register the disputed domain name for the purpose of its alleged project but, rather, to illicitly target the Claimant in some manner, most likely with a view to ultimately selling it to the Claimant for an excessive price in accordance with paragraph 4(b)(i) of the UDRP.

Further or alternatively, the disputed domain name constitutes a passive holding in bad faith, as explained in section 3.3 of the WIPO Overview 3.0.

The Tribunal would add that it does not assist the Respondent that, if it be the case, the Respondent's use of the disputed domain name for goods and services outside classes covered by the Claimant's registered trade marks would not infringe those marks, or that such use of the disputed domain name might be specifically permitted under Polish intellectual property law irrespective of the Respondent's knowledge of the Claimant's activities.

As explained in section 3.2 above, and in line with the Respondent's approach in the Answer, the Tribunal bases this decision on the substantive principles of the UDRP. The Tribunal is not concerned with, or indeed

in a position to assess, whether the Respondent has infringed, or may infringe, the Claimant's intellectual property rights but, rather, with whether the Respondent has registered and used the disputed domain name in bad faith. In this context, the key issue for the Tribunal is the likelihood or otherwise that the Respondent selected the disputed domain name by reference to the Claimant and, as stated above, in the overall circumstances of the case the Tribunal has concluded that the Respondent did indeed do so, notwithstanding its denial.

Nor does it help the Respondent that it has never previously sold a domain name. Even if true, that by no means suffices to displace the other evidence pointing towards the likelihood that the Respondent registered and used the disputed domain name in bad faith.

For all of the above reasons, the Tribunal finds that the Claimant has established the third element of paragraph 4(a) of the UDRP.

4. COSTS

In accordance with Article 56(a) of the Expedited Rules, the Tribunal fixes the costs of the arbitration at EUR 1,000. Article 56(c) requires the Tribunal to apportion the costs of arbitration and the registration fees of the Center between the parties in the light of all of the circumstances and the outcome of the arbitration.

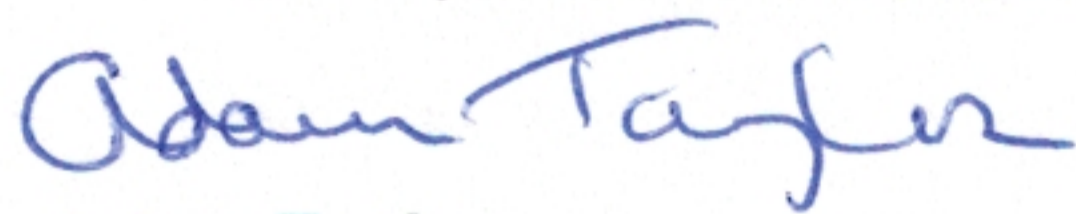
Given that the Claimant has been successful in this case and the lack of any countervailing circumstances, the Tribunal orders that the arbitration costs and the Center's registration fee in the total amount of EUR 1,500 be borne by the Respondent.

In accordance with Article 57 of the Expedited Rules, the Claimant also claims that the Respondent reimburse the Claimant for its reasonable costs incurred in the arbitration proceeding, including attorneys' fees. However, the Claimant has provided no details thereof and so the Tribunal declines to make an award in respect of costs incurred by the Claimant.

5. AWARD

For all the foregoing reasons, the Tribunal issues its Final Award in London, United Kingdom on November 4, 2022, holding as follows:

- The disputed domain name <wayfair.pl> shall be transferred to the Claimant in accordance with Article 36(a) of the Expedited Rules.
- The Respondent shall pay to the Claimant the amount of EUR 1,500 to cover the cost of this arbitration.



Adam Taylor

Sole Arbitrator

Dated: November 4, 2022

Place of Arbitration: London, United Kingdom